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MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE MARKETING AREA
MAY 1969

Volume 13

Number 10

Released Pursuant to §1090.27(j) and §1090.85, USDA-C&MS
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411
J. B. McCroskey, Market Administrator

MARKET SUMMARY - May 1969

The Chattanooga Order MINIMUM uniform producer prices per cwt. at pool plants for milk testing 3.5% butterfat are: Base Milk - \$6.08 and Excess Milk - \$4.37. The producer butterfat differential is 8.0 cents for each one-tenth of one percent above or below 3.5% test.

In May 1969, 71.2% of the producer milk received by pool plants was priced in Class I at \$6.45 per cwt. and 28.8% was priced in Class II at \$4.37 per cwt. The May butterfat differential for Class I was 8.1 cents and Class II was 7.8 cents.

Total producer milk received during May 1969 was 25,223,071 pounds which is an increase of 5,414,668 pounds or 27.3% compared with May 1968. Deliveries of producer Base milk exceeded allocated producer milk used in Class I by 3,789,649 pounds or percentagewise only 82.6% of Base milk was used in Class I. The May daily average deliveries from 606 producers was 1,343 pounds. This compares to 535 farms delivering a daily average of 1,194 pounds per day during May 1968.

DAIRY COUNCIL AND AMERICAN DAIRY ASSOCIATION DEDUCTIONS

A request was received by the Market Administrator from the Tennessee Valley Milk Producers, Inc. It was requested that all producers supplying milk to the Chattanooga area handlers be given an opportunity to continue contributing to the American Dairy Association (ADA) and National Dairy Council (NDC) agencies.

The Market Administrator has made a review of current producer deductions and the request of the Association representing certain Chattanooga area producers. By these and other means, as in accordance with the Secretary's instructions, it is hereby determined there is no significant opposition by area milk producers to making deductions for the support of these programs.

It is now possible as a result of this determination for Chattanooga Area handlers to cooperate with American Dairy Association and Dairy Council programs by making specific hundredweight deductions (1¢ NDC and 2¢ ADA) from payments to milk producers, provided the handler gives each producer advance notice of his intentions to make these deductions for one year beginning July 1969. All handlers are advised not to make a deduction if a producer writes requesting that no such deduction be made. My auditors will examine all letters which producers send handlers regarding these deductions. We will also verify that the proper agency receives all money deducted for its support from producer payments.

J. B. McCroskey, Market Administrator

JUNE DAIRY MONTH

U. S. DEPT. OF AGRICULTURE
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JUN 27 1969

CURRENT SERIAL RECORDS

COMPARISON OF MILK RECEIPTS AND UTILIZATION

	% May '69 over May '68	May 1969 17	Apr. 1969 17	May 1968 11
Number of Plants (Pool and Non-Pool)				
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	+ 27.3	813,647	835,210	638,981
Other Source	+ 44.0	40,302	39,582	27,989
Other Federal Orders	+ 85.4	257,690	291,715	138,998
TOTAL MILK RECEIPTS	+ 37.9	1,111,639	1,166,507	805,968
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	+ 3.1	391,786	378,634	379,847
Skim - Regular	+ 8.4	22,016	21,475	20,314
Skim - 2% Milk	+ 103.2	79,559	76,794	39,156
Buttermilk	+ 11.1	49,738	46,765	44,763
Flavored Milk and Drink	+ 13.8	15,891	15,466	13,969
Creams (Sweet and Sour)	+ 3.2	3,482	3,005	3,375
Sub-Total - Pkg. Products (Pool Plants)	+ 12.2	562,472	542,139	501,424
Other (Shrinkage, Inventory, etc.)		4,718	1,387	1,046
Sales to Non-Pool Plants		127,105	72,995	26,773
In-Area Sales by Non-Pool Plants		53,861	55,102	4,442
TOTAL CLASS I MILK	+ 40.2	748,156	671,623	533,685
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	+ 4.6	49,807	42,932	47,631
Cottage Cheese	+ 8.9	39,284	42,876	36,090
Powdered and Condensed Milk		78,857	105,686	101,741
Livestock Feed and Milk Dumped		6,022	5,851	6,858
Sub-Total - Used to Produce	- 9.5	173,970	197,345	192,320
Shrinkage Class II		13,353	13,036	11,265
Other (Inventory Variation, etc.)		(22,652)	4,379	(12,879)
Bulk Sales to Non-Pool Plants		198,812	280,124	81,577
TOTAL CLASS II MILK	+ 33.5	363,483	494,884	272,283
Class I Pkg. Lbs. in Area - Pool Plants	+ 57.0	466,338	449,258	297,055
Class I Pkg. Lbs. Out of Area - Pool Plants	- 53.0	96,134	92,881	204,369
Class I Pkg. Lbs. in Area - Non-Pool Plants		53,861	55,102	4,442
% Producer Milk of Gross Class I		108.8	124.4	119.7
% Producer Milk Priced in Class I		71.2	62.1	73.2

CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

<u>Per \$1090.51(a) Amended</u>	<u>June '69</u>	<u>May '69</u>	<u>June '68</u>
Basic Formula	\$4.37	\$4.34	\$4.33
Plus Class I Differential	1.95	1.95	1.95
Supply-Demand Adjustment	0.02	0.16	0.16
Class I Price, 3.5% Butterfat	\$6.34	\$6.45	\$6.44

JUNE 1969

Supply-Demand Comparison: 2nd and 3rd preceding months: March and April	
Supply: Lbs. Producer Milk (Mar. 23,506,391 and Apr. 25,056,295)	48,562,686
Demand: Lbs. Net Class I Milk (Mar. 21,111,438 and Apr. 18,495,624)	39,607,062
Utilization Percentage: Producer milk divided by Class I	123
Standard Utilization Percentage: Range 124-128	124
Net Deviation Percentage: Utilization minus Standard Utilization	Minus 1
Supply-Demand Adjustment: 2 cents x 1 percentage point	Plus \$0.02

COMPUTATION OF PRODUCER UNIFORM BASE AND EXCESS PRICES
AND WEIGHTED AVERAGE PRICE

MAY 1969	Class %	Milk Pounds	Butterfat Test - %	Cwt. Price @ Test	Gross Value
Gross Class I		23,192,841	3.293		
Less Other Source		5,229,123	3.225		
Producer Milk Class I	71.2	17,963,718	3.313290	\$6.298765	\$1,131,492.38
Gross Class II		11,267,979	4.302		
Less Other Source		4,008,626	3.404		
Producer Milk Class II	28.8	7,259,353	4.798279	5.382658	390,746.15
TOTAL PRODUCER MILK (Cl. I + Cl. II)	100.0	25,223,071	3.740679		\$1,522,238.53
Less Fractional Adjustment					.12
Add Value of Overage					831.44
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					9,031.88
TOTAL VALUE AT TEST		25,223,071	3.740679	\$6.074208	\$1,532,101.73
Less Test over 3.5% @ 8.0¢ per point		25,223,071	.240679	0.192543	48,565.26
TOTAL UTILIZATION VALUE AT 3.5%		25,223,071	3.5	\$5.881665	\$1,483,536.47
Less Reserve Per \$1090.71(f)		25,223,071		.041665	
WEIGHTED AVERAGE PRICE - 3.5% TEST		25,223,071		\$5.84	
		Pounds	Price	Amount	
Excess Producer Milk Used in Class I		-	-	-	
Excess Producer Milk Used in Class II		3,469,704	\$4.37	\$151,626.06	
UNIFORM EXCESS PRICE - 3.5% TEST		3,469,704	\$4.37		\$151,626.06
Total Value of Base Milk		21,753,367	6.122778		1,331,910.41
Less Producer-Settlement Fund Reserve		21,753,367	.042778		9,305.66
UNIFORM BASE PRICE - 3.5% TEST		21,753,367	\$6.08		\$1,322,604.75

MAY 1969 MINIMUM PRODUCER PRICES CWT. F.O.B. CHATTANOOGA POOL PLANTS
BUTTERFAT DIFFERENTIAL 8.0¢ PER POINT (EXCLUDES PREMIUMS)

TEST %	PRICES		TEST %	PRICES		TEST %	PRICES	
	BASE	EXCESS		BASE	EXCESS		BASE	EXCESS
3.0	\$5.68	\$3.97	4.0	\$6.48	\$4.77	5.0	\$7.28	\$5.57
3.05	5.72	4.01	4.05	6.52	4.81	5.05	7.32	5.61
3.1	5.76	4.05	4.1	6.56	4.85	5.1	7.36	5.65
3.15	5.80	4.09	4.15	6.60	4.89	5.15	7.40	5.69
3.2	5.84	4.13	4.2	6.64	4.93	5.2	7.44	5.73
3.25	5.88	4.17	4.25	6.68	4.97	5.25	7.48	5.77
3.3	5.92	4.21	4.3	6.72	5.01	5.3	7.52	5.81
3.35	5.96	4.25	4.35	6.76	5.05	5.35	7.56	5.85
3.4	6.00	4.29	4.4	6.80	5.09	5.4	7.60	5.89
3.45	6.04	4.33	4.45	6.84	5.13	5.45	7.64	5.93
3.5	6.08	4.37	4.5	6.88	5.17	5.5	7.68	5.97
3.55	6.12	4.41	4.55	6.92	5.21	5.55	7.72	6.01
3.6	6.16	4.45	4.6	6.96	5.25	5.6	7.76	6.05
3.65	6.20	4.49	4.65	7.00	5.29	5.65	7.80	6.09
3.7	6.24	4.53	4.7	7.04	5.33	5.7	7.84	6.13
3.75	6.28	4.57	4.75	7.08	5.37	5.75	7.88	6.17
3.8	6.32	4.61	4.8	7.12	5.41	5.8	7.92	6.21
3.85	6.36	4.65	4.85	7.16	5.45	5.85	7.96	6.25
3.9	6.40	4.69	4.9	7.20	5.49	5.9	8.00	6.29
3.95	6.44	4.73	4.95	7.24	5.53	5.95	8.04	6.33

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT MILK)

Date	PRODUCER UNIFORM PRICES ^{1/}				HANDLER CLASS PRICES ^{1/}			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
May '68	\$5.90 ^{2/}	\$6.14	\$4.15	8.2¢	\$6.56	8.6¢	\$4.19	7.6¢
June	5.79 ^{2/}	5.96	4.14	8.2	6.44	8.6	4.18	7.6
July	5.97 ^{2/}	6.15	4.14	8.2	6.52	8.6	4.18	7.6
Aug.	6.22	-	-	8.0	6.62	8.0	4.20	7.7
Sept.	6.16	-	-	8.0	6.70	8.0	4.23	7.9
Oct.	6.31	-	-	8.0	6.68	8.2	4.28	7.7
Nov.	6.22	-	-	8.0	6.62	8.1	4.27	7.7
Dec.	6.03	-	-	8.0	6.72	8.0	4.30	7.9
Jan. '69	6.16	-	-	8.0	6.72	8.2	4.27	7.6
Feb.	5.90	-	-	7.8	6.58	8.0	4.23	7.6
Mar.	5.90 ^{2/}	6.07	4.28	7.8	6.56	8.0	4.28	7.6
Apr.	5.71 ^{2/}	5.96	4.34	8.0	6.56	8.0	4.34	7.8
May	5.84 ^{2/}	6.08	4.37	8.0	6.45	8.1	4.37	7.8
June	-	-	-	-	6.34	8.1	-	-

Date	PRICE QUOTATIONS				PRODUCER MILK USE (Daily Average)			
	Chi.92 Butter	Chi.Area Powder	Minn/Wisc Mfg. Milk	Basic Formula	Class I		Class II	
	¢ Lb.	¢ Lb.	\$-cwt-3.5% Minimum		Pounds	Test-%	Pounds	Test-%
May '68	66.44	22.62	4.19	4.33	467,606	3.45	171,375	4.85
June	66.44	22.54	4.18	4.33	432,917	3.40	167,462	4.93
July	66.43	22.77	4.18	4.33	439,957	3.40	130,640	5.06
Aug.	66.59	22.90	4.20	4.33	504,464	3.40	96,996	5.47
Sept.	68.54	22.91	4.23	4.33	561,274	3.45	155,047	5.07
Oct.	67.29	22.95	4.28	4.33	617,813	3.59	106,841	6.20
Nov.	66.79	22.75	4.27	4.33	727,083	3.49	158,337	6.39
Dec.	68.73	22.73	4.30	4.33	526,471	3.52	193,342	5.89
Jan. '69	66.41	22.95	4.27	4.33	577,625	3.48	156,506	6.63
Feb.	66.39	22.94	4.23	4.33	538,299	3.42	213,449	5.65
Mar.	66.39	23.04	4.28	4.33	542,370	3.40	215,901	5.50
Apr.	67.59	23.01	4.34	4.33	518,846	3.33	316,364	4.64
May	67.64	23.03	4.37	4.33	579,475	3.31	234,172	4.80

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK ^{3/}			PRODUCER DATA				Deliveries Per		
	No.	Total	Class I	No.	Total	Pase	Average	Farm-----Pounds		
	Hdlrs.	Receipt	Use	Prod.	Delivery	Delivery	Test-%	Prod.	Base	Exc.
May '68	11	805,968	533,685	535	638,981	563,280	3.82	1,194	1,053	141
June	11	798,670	533,671	537	600,379	546,005	3.82	1,118	1,017	101
July	10	758,105	563,764	535	570,597	519,550	3.78	1,067	971	96
Aug.	17	855,075	708,065	541	601,460	-	3.73	1,112	-	-
Sept.	17	1,014,868	786,828	620	716,321	-	3.80	1,155	-	-
Oct.	17	1,025,424	873,378	619	724,654	-	3.98	1,171	-	-
Nov.	17	1,219,630	938,723	721	885,420	-	4.01	1,228	-	-
Dec.	18	1,003,719	711,555	624	719,813	-	4.16	1,154	-	-
Jan. '69	18	1,052,730	811,681	619	734,131	-	4.16	1,186	-	-
Feb.	18	1,083,443	737,181	612	751,748	-	4.05	1,228	-	-
Mar.	18	1,078,934	739,355	611	758,271	688,137	4.00	1,241	1,126	115
Apr.	17	1,166,507	671,623	609	835,210	709,211	3.82	1,371	1,165	206
May	17	1,111,639	748,156	606	813,647	701,721	3.74	1,343	1,158	185

^{1/} Excludes Premiums^{2/} Weighted Average Price^{3/} Other Source is Gross minus Producer; Class II is Receipts minus Class I